



Uniform Medical Plan

Your health. Your plan. Your choice.

Volume 3, Issue 2

Provider Bulletin

July 2001

Please circulate the UMP *Provider Bulletin* to the appropriate clinical, billing, and bookkeeping staff.

A Personal Note from Andrew Brunskill, M.D., Medical Director

I am a doctor. Still, I thought my rectal bleeding was from my hemorrhoids. I was wrong; I have Stage 3 rectal cancer. My surgery was in March, and I have just finished the initial chemotherapy with radiation treatment. I am most grateful to everybody for their help and support during this difficult time.

While I appreciate all of you who have referred UMP patients who smoke to the Free and Clear program (1-800-292-2336), I want to remind you of the UMP's policy to support disease prevention and screening efforts in general. To ensure the credibility of these efforts, our benefit structure is generally based on the U.S. Preventive Services Task Force (USPSTF) recommendations for preventive clinical services. In some cases, we cover services over and above these guidelines. These have been updated on the Web at www.ahcpr.gov/clinic/uspstfix.htm.

Screening for colon cancer is recommended for all patients aged 50 and over. If a patient displays risk factors, the UMP allows for earlier screening at the provider's discretion. I strongly urge all providers to offer their patients this and other appropriate screening programs. The UMP is committed to both fiscal responsibility and supporting excellence in clinical care. Thank you, as always, for your help.

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Volunteers Needed for Diabetes Project

The UMP's Diabetes Care Quality Improvement Project is designed to **decrease barriers to care and to foster specific diabetes care planning** between patients and their clinicians, based on the American Diabetes Association (ADA) guidelines. The project components are in keeping with the tenets and goals of the Washington State Diabetes Collaborative (WSDC) to enhance the quality of diabetes care. The project offers many additional benefits for participants, including:

- **The UMP will pay participating patients' coinsurance charges**, when care is delivered by

UMP-preferred providers, for five planned, **comprehensive** office visits (CPT code 99213, 99214, or 99215), three months apart, to focus on diabetes management, education, and goal setting.

- HbA1c results will be faxed directly to the physician prior to each of the patient's five planned visits. An in-home test kit will be sent to the patient, with results faxed to the physician. There is no deductible or coinsurance to the patient for these.
- Microalbumin and calculated HDL/LDL results will also be faxed to the physician prior to the first and last planned visits.
- The UMP will provide focused educational materials and compliance support to the patient to assist them in planning their care.

A second part of this project evaluates specific interventions to improve the patient's self-management of diabetes. This portion of the project includes a 12-month, randomized quality improvement intervention using two-way pagers to enhance patients' adherence to medication and self-care regimens. To standardize clinical outcome measures for comparison, all participants will use and evaluate in-home lab kits. We are very interested in providers' and patients' perspectives on the pagers, the in-home lab kits, and the "expanded" benefits offered, and how valuable these are in enhancing care.

We still need about 80 volunteers for this project. If you have UMP patients with diabetes, please contact Andrea C. Skelly, MPH, at (206) 521-2033 (or by email at aske107@hca.wa.gov) right away.

Provider Network Changes for Naturopathic Physicians and Licensed Acupuncturists (Eff. 1/1/02)

Effective January 1, 2002, the UMP's preferred provider network for acupuncturists and naturopathic physicians will be managed by Alternäre of Washington, Inc. Alternäre has also managed the UMP's network of licensed massage therapists since the beginning of 2001.

This change will allow us to streamline administration and continue to provide quality care. We hope to minimize the disruption to patients' continuity of care. Most UMP-preferred naturopaths and acupuncturists already contract with Alternäre. Others who are not contracted with Alternäre, and wish to join, may contact Alternäre at 1-800-500-0997 to discuss their contracting terms and conditions. Acupuncturists and naturopathic physicians who are currently UMP-

preferred, but do not contract with Alternäre, will be terminated from the UMP's preferred provider network effective December 31, 2001. Since the UMP will continue to have preferred and nonpreferred benefit levels for naturopathic care and acupuncture treatment, these providers can continue to see UMP patients, but their services will be reimbursed at the nonpreferred rate. The UMP's cost-sharing design includes incentives for members to seek care from preferred providers. In general, for services from nonpreferred providers, the UMP pays 60 percent of the UMP-allowed fee after the annual medical/surgical deductible has been satisfied, as compared with 90 percent for preferred providers.

Starting January 1, 2002, Alternäre fee schedules will be used to determine the UMP's allowed charges for preferred and nonpreferred naturopathic physicians and licensed acupuncturists.

HOW TO REACH US

Claims Processing and Preauthorizations

Toll-free 1-800-464-0967
Local (425) 670-3046
Fax (425) 670-3199

- Benefits information
- Customer service
- Claims information
- Enrollee eligibility information*
- General billing questions
- Medical review
- Prenotification/preauthorization
- Status of submitted claim
- Verify provider's preferred status

* Automated enrollee eligibility information

Toll-free 1-800-335-1062

(Have subscriber I.D. number available, and select #2 for "PEBB subscriber information.")

Provider Credentialing and Contracting Issues

Toll-free 1-800-292-8092
Local (206) 521-2023
Fax (206) 521-2001

- Change of provider status
- New provider enrollment
- Preferred provider contract information
- Policies and procedures
- Questions regarding provider billing manuals and/or fee schedules and payment policies
- *Provider Bulletin* feedback

Alternäre of Washington Health Services, Inc.

Toll-free 1-800-500-0997
Local (206) 405-2923

- Preferred network information for licensed massage practitioners, naturopathic physicians, and licensed acupuncturists

Merck-Medco Managed Care, L.L.C.

Toll-free 1-800-903-8224

- Prescription drugs and claims questions

UMP Web Site

www.wa.gov/hca/ump

Interactive Voice Response System Information

If you haven't used our Interactive Voice Response (IVR) self-service phone program yet, we encourage you to try it out the next time you need verification of member eligibility or claims status information. You can access this service by calling the UMP Customer Service Department at 1-800-762-6004 (main number), or 1-800-464-0967 (provider service line), and following the recorded instructions that will direct you to the IVR self-service program.

Once in the system, you will have the ability to verify eligibility and claims status for multiple members. You can also exit the IVR system at any point and return to a UMP customer service representative when additional assistance is needed. Please remember that our customer service hours are 8 a.m. to 6 p.m. PST, Monday through Friday.

Professional Provider Fee Schedule Update

The UMP *Professional Provider Fee Schedule* was updated on **July 1, 2001**. Details pertaining to the revised maximum allowances are included below.

Maximum Allowances Based on Resource-Based Relative Value Scale (RBRVS) Methodology

The maximum allowances for most codes on the fee schedule are based on:

- The Health Care Financing Administration's* (HCFA's) 2001 relative value units (RVUs),
- HCFA's 2001 statewide Geographic Practice Cost Indices (GPCIs) for Washington State, and
- The UMP's RBRVS conversion factor, which increased to \$46.09.

There is a site-of-service rate differential for many of the procedure codes based on HCFA's dual levels of practice expense RVUs.

The statewide GPCIs used in the calculation of the UMP updated rates are:

- 0.989 (work),
- 1.011 (practice expense), and
- 0.765 (malpractice expense).

The updated conversion factor equates to a 2.93 percent inflation increase from our modeled 2001-2002 budget neutral conversion factor, reflecting the increase in the Seattle/Tacoma/Bremerton consumer price index (CPI) for medical services from December 1999 to December 2000. Factoring in the site-of-service differential, the net impact of the fee schedule update is a 2.3 percent increase in professional provider reimbursement across all types of procedures and services.

Maximum Allowances Based on Medicare's Clinical Diagnostic Laboratory Fee Schedule

The maximum allowances for clinical laboratory procedure codes (with the exception of Pap smears) are equal to 136.5 percent of Medicare's 2001 *Clinical Diagnostic Laboratory Fee Schedule*. Most of the UMP maximum allowances for clinical laboratory procedure codes did not change with this update as a result of a provision of the Balanced Budget Act of 1997 that provided no inflation update to Medicare's rates this year. There were a few changes to the Medicare rates as a result of the Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) Benefits Improvement and Protection Act of 2000 (BIPA of 2000).

The UMP maximum allowance for the conventional Pap smear codes is \$14.60, and the thin layer preparation Pap smear codes is \$25.00.

Maximum Allowances Based on Medicare's Durable Medical Equipment/Prosthetic and Orthotic Fee Schedule

Many supply items on the UMP *Professional Provider Fee Schedule* are considered "bundled" into the cost of other services and are not paid separately. See "*Prosthetic and Orthotic Fee Schedule for Suppliers Updated*" on this page for related information.

* We have been informed that HCFA's name has been changed to Centers for Medicare and Medicaid Services (CMS). We will begin using the new name in future publications.

Prosthetic and Orthotic Fee Schedule for Suppliers Update

The UMP Prosthetic and Orthotic Fee Schedule, Including Ostomy and Urological Supplies for suppliers was updated on **July 1, 2001**. The maximum allowances are based on Medicare's Durable Medical Equipment/Prosthetic and Orthotic Fee Schedule implemented on **July 1, 2001**.

Anesthesia Payment System Update

On **July 1, 2001**, the UMP payment system for anesthesia services was updated. Reimbursement will continue to be composed of base units plus anesthesia minutes. The UMP anesthesia conversion factor for the 15-minute based system increased to \$41.62 and the 2001 anesthesia base units were incorporated. The revised anesthesia conversion factor reflects the same inflation adjustment that was applied to the RBRVS conversion factor.

Providers are required to report the actual anesthesia minutes in the unit field (24G) on the HCFA-1500 claim form for payment purposes. Actual payment will continue to be calculated on a per-minute basis.

For the majority of the CPT anesthesia codes, the current anesthesia bases in the UMP payment system are the same as HCFA's 2001 anesthesia base units and the American Society of Anesthesiologists' (ASA) 2001 anesthesia base units. For the CPT anesthesia codes where HCFA and the ASA bases were different, the UMP decided to use HCFA's anesthesia base with a few exceptions based on feedback from our State Agency Anesthesia Technical Advisory Group.

New Outpatient Prospective Payment System (OPPS) for Hospital (Facility) Claims

The UMP will be implementing an Outpatient Prospective Payment System (OPPS) for outpatient facility claims starting **January 1, 2002**. The payment system will be based on the same Ambulatory Payment Classifications (APCs) and weights that apply for Medicare reimbursement. Reimbursement for rural hospitals (as defined by the Department of Health's Peer Group A) and children's hospitals will not be included under OPPS for 2002.

Billing Instructions, Reminders, and Updates

UMP Billing and Administrative Manuals and Fee Schedules Available on the Web Site

The UMP's *Billing and Administrative Manual for Professional Providers*, as well as the updated fee schedules, may be downloaded from our Web site

(www.wa.gov/hca/ump). We intend to place an updated *Billing and Administrative Manual for Hospitals* on the Web site very soon.

Valid Diagnosis Codes Required

All claims submitted to the UMP must include a valid ICD code and be coded to the highest level of specificity. Beginning in September 2001, claims will be denied if this information is not included or if it is inaccurate.

Place of Service Codes

For UMP payment consideration, the HCFA-1500 claim forms must include the applicable current HCFA two-digit place-of-service (POS) codes. Refer to the UMP *Billing and Administrative Manual for Professional Providers* for a listing of these codes.

Please note the following related to the place of service codes:

- We have learned that HCFA decided not to implement POS code "35" (Adult Living Care Facility). To maintain consistency with HCFA, POS code "35" will not be valid for UMP claims as of July 1, 2001.
- POS code "99" (Other Unlisted Facility) should be used only when there is not an applicable specific POS code.

Submitting Corrected Claims

When submitting a corrected bill for previously processed claims, please send it on paper only and clearly mark that it is a corrected bill. Please do not submit corrected bills electronically.

State-Assigned Local Casting Material Codes Not Valid for UMP

The UMP is no longer accepting the state-assigned local casting material codes 2978M–2987M for payment consideration as of July 1, 2001. Providers should use the applicable HCPCS level II procedure codes when reporting these materials for payment consideration.

Medicare Part B Claim Information for Secondary Payment Consideration

Noridian Mutual Insurance Company, a contracted Medicare carrier/intermediary, is now electronically passing Medicare Part B claim information directly to the UMP for processing of secondary professional outpatient claims for Medicare-enrolled UMP members. Therefore, it is no longer necessary for you (or the members) to submit paper claims and copies of the Part B Explanation of Medicare Benefits (EOMB)/Medicare Summary Notices (MSN) from this carrier to the UMP for secondary payment consideration.

Paper copies of the Medicare information for secondary payment consideration still need to be submitted for inpatient hospital care, durable medical equipment, and home health and hospice care, as these are processed by different Medicare carriers/intermediaries and are not being passed to the UMP at this time.

If you need additional information or assistance, please contact the UMP Customer Service Department at 1-800-762-6004 (main number) or 1-800-464-0967 (provider service line).

Recommendations of the Advisory Committee on Immunization Practices (ACIP) for Influenza Vaccination

A letter from the Department of Health and Human Services' Centers for Disease Control (CDC) and Prevention in May of 2001 requests health care providers' assistance in implementing the recommendations of the Advisory Committee on Immunization Practices (ACIP) for influenza vaccination.

During the 2000-2001 influenza season, manufacturing problems resulted in significant delay of influenza vaccine availability. With the influenza vaccine newly produced for each influenza season, numerous factors may affect the manufacturers' production and distribution of the vaccine. In the letter, providers were asked to develop contingency plans so immunization efforts are better targeted to immunize those at highest risk first, in the event a delay or shortage occurs. In preparation for this year's influenza season, the CDC is strongly encouraging providers with high-risk patients to order the vaccine now, rather than waiting. This will help manufacturers and distributors to gauge the demand and improve the opportunity to immunize high-risk individuals as early in the season as possible.

Target Groups for Vaccination:

Persons at Increased Risk for Complications

Vaccination is recommended for the following groups of persons who are at increased risk for complications from influenza:

- Persons aged 65 or older;
- Residents of nursing homes or other facilities that house persons of any age who have chronic medical conditions;

- Adults and children who have chronic disorders of the pulmonary or cardiovascular systems, including asthma;
- Adults and children who have required regular medical follow-up or hospitalization during the preceding year because of chronic metabolic diseases (including diabetes mellitus), renal dysfunction, hemoglobinopathies, or immunosuppression (including immunosuppression caused by medications or by human immunodeficiency virus [HIV]);
- Children and teenagers (aged 6 months-18 years) who are receiving long-term aspirin therapy and therefore might be at risk for developing Reye's syndrome after influenza infection; and
- Women who will be in the second or third trimester of pregnancy during the influenza season.

Persons Aged 50-64 Years

- Vaccination is recommended for persons aged 50-64 years because this group has an increased prevalence of persons with high-risk conditions.

Persons Who Can Transmit Influenza to Those at High Risk

- Physicians, nurses, and other personnel in both hospital and outpatient-care settings, including emergency response workers;
- Employees of nursing homes and chronic-care facilities who have contact with patients or residents;
- Employees of assisted living and other residences for persons in groups at high risk;
- Persons who provide home care to persons in groups at high risk; and
- Household members (including children) of persons in groups at high risk.

The CDC plans to continue working closely with the Food and Drug Administration (FDA), vaccine manufacturers, state and local health officials, and others to share information regarding the influenza vaccine supply as it becomes available.

More details with the ACIP recommendations "Prevention and Control of Influenza" are published in the April 20, 2001 *Morbidity and Mortality Weekly Report* (MMWR). You can find the MMWR on the CDC Web site (www.cdc.gov).

Free and Clear's Smoking Cessation Program offered by the UMP

The U.S. Surgeon General has named smoking "Public Enemy No. 1" in light of its role as the leading cause of premature death and disability in this country. Smoking has serious medical consequences and can create a health hazard for smokers as well as others in the vicinity of smoke. It can directly affect relationships between coworkers and family members—and is a major health and safety issue in the workplace as well as the home.

The UMP is committed to promoting our enrollees' health and well-being. As a result, we offer an effective smoking cessation program—**Free and Clear**—which deals with cessation both in terms of behavior change and chemical dependency. It was developed based on studies conducted for the National Cancer Institute. It is available to UMP enrollees 18 years and older who want to quit smoking at a minimal or no cost. Call **Free and Clear** at 1-800-292-2336 for more information.

To obtain this document in another format, call our Americans with Disabilities Act (ADA) Coordinator at 360-923-2805. TTY users (deaf, hard of hearing, or speech impaired), call 360-923-2701 or toll-free 1-888-923-5622.